Report "A" – Executive Policy Committee – March 15, 2006

Item No. 8 Site Selection of the Winnipeg Police Service East District Station – Land Sale of 501 Panet Road
File FI-2.4(33)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 15, 2006, the Executive Policy Committee concurred in the recommendations of the Standing Policy Committee on Protection and Community Services and the Standing Policy Committee on Property and Development and recommends to Council:

1. That the Winnipeg Police Service new East District Station be located on City-owned land within the St. Boniface Industrial Park, and that all other decisions inconsistent with the foregoing be rescinded.

2. That the property at 501 Panet Road be declared surplus to the City's needs.

3. That the Director of Planning, Property and Development be authorized to enter into negotiations for the sale of 501 Panet Road and report back to the Standing Policy Committee on Property and Development on the final terms and conditions.

4. That a portion of the proceeds from the sale of the existing property on Panet Road be used for the recovery of expenses for the new East District Police Site location, with the balance of the funds to go to the Land Operating Reserve Fund.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report "A" – Executive Policy Committee – March 15, 2006

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 15, 2006, the Executive Policy Committee concurred in the recommendations of the Standing Policy Committee on Protection and Community Services and the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING POLICY COMMITTEE RECOMMENDATIONS:

On March 6, 2006, the Standing Policy Committee on Protection and Community Services concurred in administrative recommendation No. 1, namely:

- That the Winnipeg Police Services new East District Station be located on the City owned land within the St. Boniface Industrial Park, and that all other decisions inconsistent with the foregoing be rescinded,

and submitted its recommendation to the Executive Policy Committee.

On February 28, 2006, the Standing Policy Committee on Property and Development concurred in administrative recommendation No. 2, namely:

- That the property at 501 Panet Road be declared surplus to the City's needs.

- That the Director of Planning, Property and Development be authorized to enter into negotiations for the sale of 501 Panet Road and report back to the Standing Policy Committee on Property and Development on the final terms and conditions.

- That a portion of the proceeds from the sale of the existing property on Panet Road be used for the recovery of expenses for the new East District Police Site location, with the balance of the funds to go to the Land Operating Reserve Fund,

and submitted its recommendation to the Executive Policy Committee.

Re: **Site Selection of the Winnipeg Police Service East District Station & Land Sale of 501 Panet Road**

For submission to: **Executive Policy Committee, The Standing Policy Committee on Property and Development & The Standing Policy Committee on Protection & Community Services**

Original report signed by: **Director of Planning, Property and Development**

Report date: February 8, 2006

Recommendation(s):

1. The Standing Policy Committee on Protection & Community Services recommend to Executive Policy Committee and Council; that the Winnipeg Police Services new East District Station be located on the City owned land within the St. Boniface Industrial Park, and that all other decisions inconsistent with the foregoing be rescinded.

2. The Standing Policy Committee on Property and Development recommend to Executive Policy Committee and Council:
    a. That the property at 501 Panet Road be declared surplus to the City's needs;
    b. That the Director of the Planning, Property and Development Department be authorized to enter into negotiations for the sale of 501 Panet Road and report back to the Standing Policy Committee on Property and Development on the final terms and conditions.
    c. That a portion of the proceeds from the sale of the existing property on Panet Road be used for the recovery of expenses for the new East District Police Site location, with the balance of the funds to go to the Land Operating Reserve Fund.

REPORT SUMMARY

Key Issues:

- Princess Auto has contacted the City of Winnipeg to purchase additional land adjacent their existing store at 475 Panet Road to enable expansion of retail and business operations.
- This land at 501 Panet Road was considered for the East District Police Station.
- The Winnipeg Police Services have agreed that operationally the new East District Station could be located to City owned property within St. Boniface Industrial Park.

Implications of the Recommendation(s):

General implications:

[X] None
[ ] For the organization overall and/or for other departments
[ ] **For the community and/or organizations external to the City of Winnipeg**
[ ] **Involves a multi-year contract**

Comment(s):

-

Policy implications:

[ ] **No**
[X] **Yes**

Comment(s):

On October 6, 1982, City Council adopted the following policy in dealing with the Property Acquisition Program for Future Regional Transportation Purposes:

"The monies realized from the sale of any properties acquired for future transportation purposes as the result of the cancellation of a transportation project by City Council shall be returned to the Land Acquisition Account for Future Regional Transportation Facilities of the Streets and Transportation Department."

Environmental implications:

[X] **No**
[ ] **Yes**

Comment(s):

-

Human resources implications:

[X] **No**
[ ] **Yes**

Comment(s):

-

Financial implications:

[ ] Within approved current and/or capital budget
[X] Current and/or capital budget adjustment required

Comment(s):

- It is requested that a portion of the proceeds from the sale of the Panet Road site be used firstly for recovery of costs already expended and also for any additional project costs, which resulted from the decision to locate the Police Station in the St. Boniface Industrial Park Site, such as the re-imbursement of the land value costs to the Land Operating Reserve.

REASON FOR THE REPORT:

Authorization is required to transfer sale proceeds.

HISTORY:

At its meeting held July 23, 2003, Council approved the Winnipeg Police Services Four District Model. The first phase of this model called for the amalgamation of the stations located at 227 Provencher and 730 Pandora Ave West to an East District Police Station located to a vacant site in St. Boniface Industrial Park.

The Winnipeg Police Services and the Planning, Property and Development Department also considered locating the East District Police Station to City owned land at 501 Panet Road, land formerly to be used for a proposed Traffic Corridor, now cancelled.

On December 1, 2004, Bob Tallman, the President of The Princess Group contacted the City of Winnipeg about repurchasing the land at 501 Panet Road, expropriated from them in the mid 1960's. It was the Princess Group's intent to expand their warehouse operation by approximately 100,000 square feet. Ensuing discussions between the Princess Group and the City of Winnipeg resulted in a land exchange. The land exchange allowed the Princess Group to expand their warehouse, Winnipeg Transit to have the necessary property for an improved alignment for the proposed Eastern Rapid Transit Corridor, and land for possible construction of the East District Police Station.

On September 28, 2005, Council reconfirmed the Four District Model project by approving funding from prior year adopted Capital Budgets approved to be used to fund the increased cost for the first Four District Model district station (which under the plan is the East District Station).

On October 26, 2005, Council approved the land exchange with the Princess Group.

DISCUSSION:

Following the October 26, 2005 Council approval of the land exchange, Bob Tallman again contacted the City. Subsequent to the initial discussions, The Princess Group now required additional land for a large retail addition and corporate office upgrade to their existing holding. This newest requirement would result in insufficient land for the construction of a new Police Station at the 501 Panet Road location. The Princess Group would like all or part of the 501 Panet property for their business expansion.

Winnipeg Police Services have agreed that operationally the new East District Station could be located on the City owned land within the St. Boniface Industrial Park. The Panet Road site is approximately 6.71 acres. The site located within the St. Boniface Industrial Park, on Dugald Road is 6.76-acres.

Previous discussions between The Princess Group and the City of Winnipeg resulted in a proposed land exchange on Panet Road shown on Schedule A. Winnipeg Transit acquired Parcel "A" for more efficient alignment for their proposed Eastern Transit Corridor and the Princess Group acquired Parcel "B" for a 100,000 square foot warehouse expansion. Parcel C was the

remaining land, which the proposed police station could be constructed. The site located within the St. Boniface Industrial Park, is shown on the attached Schedule B.
Given the relationship the construction of this East District Police Station has with the Public Safety Building Decanting and Recladding, it is imperative that the design and construction of the new station at the St. Boniface Industrial Park commence immediately.

Princess Auto is a national retailer of auto parts and hardgoods. Through its stores, coast-to-coast mail order service, and manufacturing division, Princess Auto markets unique, comprehensive lines of quality hardgoods at competitive prices. Princess Auto employs over 300 in Manitoba and has been named by Manitoba Business magazine as one of the top 30 companies in terms of company scale (i.e. number of employees and company revenue). Allowing Princess Auto to expand at their current business location on Panet Road provides them with the ability to expand their retail, warehouse, and office operations. They have indicated that this will help them remain as a strong and economically viable business in Winnipeg.

The benefits of the new Police Station being built on the Dugald Road site are: 1) a better parcel of land to configure the station, 2) ability to expand the Police operation on the site, and 3) better access and egress to the site. The major drawbacks to building on the Dugald site compared to the Panet site are, a) some time and expenses have been incurred at the Panet site and, b) possibly less of a visible site. The expenses incurred can be reimbursed by the sale proceeds of the Panet lands to Princess Auto and possibly other adjacent property owners. The visibility of the Dugald Police Station could be enhanced by appropriate site development and signage.
It is recommended that the proceeds for the sale of the Panet Road site be used firstly for recovery of costs already expended and also for any additional project costs, which resulted from the decision to locate the Police Station in the St. Boniface Industrial Park Site, such as the re-imbursement of the land value costs to the Land Operating Reserve.

On October 6, 1982, City Council adopted the following policy in dealing with the property Acquisition Program for Future Regional Transportation Purposes: “The monies realized from the sale of any properties acquired for future transportation purposes as the result of the cancellation of a transportation project by City Council shall be returned to the Land Acquisition Account for Future Regional Transportation Facilities of the Streets and Transportation Department.” As this property was acquired in the 1960’s for a proposed Eastern Transportation Corridor, which is no longer in the City’s plans; Council’s approval is required to use the sale proceeds of 501 Panet.

FINANCIAL IMPLICATIONS:

During the past year, the City has expended funds in the preparation for construction on the Panet Road site. This included plan preparation for the street closing, demolition of the existing buildings, environmental testing and site remediation and planning by the City’s consultant. The costs incurred to date are $100,000 to $150,000. The Panet Road property value is $450,000 to $750,000, depending on how the property is parceled and sold. Princess Auto has indicated that they may only need part of the property, so other portions of the property could possibly be divested to other interested parties.

Net proceeds from the sale of the Panet Road site are expected to be from $300,000 to $600,000. The net proceeds of disposition are the property sales minus the total costs associated with switching to the Dugald Road site (i.e. those costs already incurred plus any future costs at 501

Panet Rd.). This amount of $150,000 will be credited to the Four District Model capital project budget. The $300,000 to $600,000 would be credited to the Land Operating Reserve. A separate report on the sale of the Panet Road site will be forthcoming as the purchase details become finalized.

Current estimates of the market value of serviced lands in St. Boniface Industrial Park are approximately $75,000 per acre. Therefore, the market value of the 6.76 acres at the Dugald Rd. site is approximately $500,000. The difference between the $500,000 market value and the net proceeds of $300,000 to $600,000 represents a range of an opportunity cost to the Land Operating Reserve of $200,000 to a net benefit to the Land Operating Reserve of $100,000.

Financial Impact Statement

Date: January 11, 2006

Project Name:

Site relocation of the Winnipeg Police Service, East Station

First Year of Program 2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
External	-	-	-	-	-
Grants (Identify)	-	-	-	-	-
Reserves, Equity, Surplus, Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 150,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	600,000	-	-	-	-
Net Cost/(Benefit)	$ (450,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (450,000)	$ -	$ -	$ -	$ -

Additional Comments:

"Direct Costs" represent an estimate of costs incurred to date plus future costs associated with 501 Panet Rd. site, which would be credited to the 4D Model capital project funding rather than to the Land Operating Reserve (LOR). The $600,000 in revenue represents the mid-point of the range of estimated proceeds of disposition of 501 Panet Rd. The net amount of $450,000 would be credited to the LOR. It should be noted that the estimated market value of the 6.76 acres in St. Boniface Industrial Park is approximately $500,000 and, based on these assumptions, there would be a $50,000 opportunity cost to LOR from the recommendations.

"Original signed by"
Mike McGinn, CA
Manager of Finance

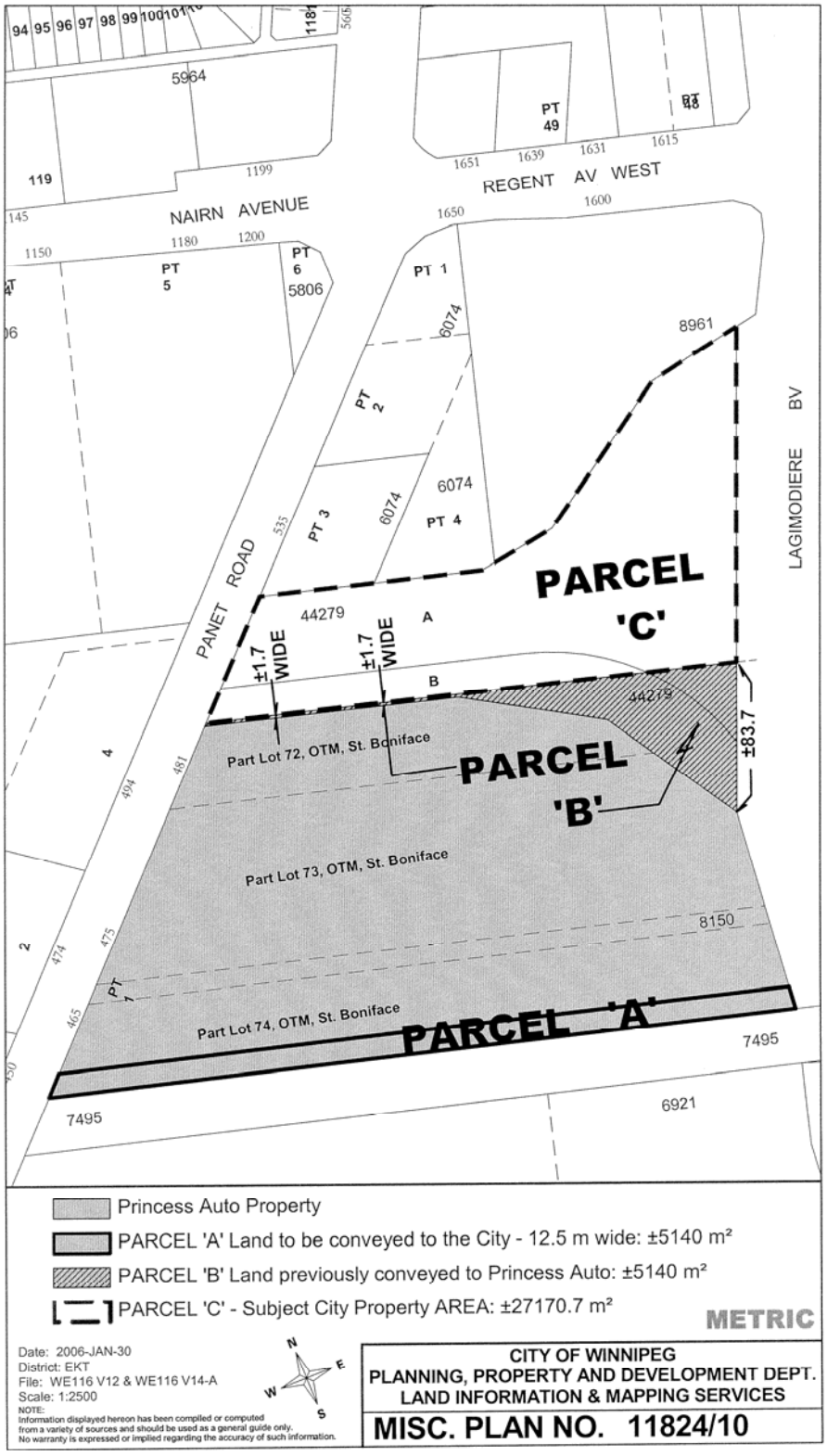
IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:
Chief of Police.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Civic Accommodations
Prepared by: Jerry Comeau, Manager of Civic Accommodations
PPD File #: CAD 2006-002

Document name: o:\reports directive\civic accommodations\wps dugald site.doc

Schedule "A"


NAIRN AVENUE
REGENT AV WEST
PANET ROAD
LAGIMODIERE BV
PARCEL 'C'
PARCEL 'B'
PARCEL 'A'
±1.7 WIDE
±1.7 WIDE
±83.7
Part Lot 72, OTM, St. Boniface
Part Lot 73, OTM, St. Boniface
Part Lot 74, OTM, St. Boniface
PT 1
PT 2
PT 3
PT 4
PT 5
PT 6
PT 49
5964
5806
44279
8961
8150
7495
6921
6074
Princess Auto Property
PARCEL 'A' Land to be conveyed to the City - 12.5 m wide: ±5140 m²
PARCEL 'B' Land previously conveyed to Princess Auto: ±5140 m²
PARCEL 'C' - Subject City Property AREA: ±27170.7 m²
METRIC
Date: 2006-JAN-30
District: EKT
File: WE116 V12 & WE116 V14-A
Scale: 1:2500
NOTE:
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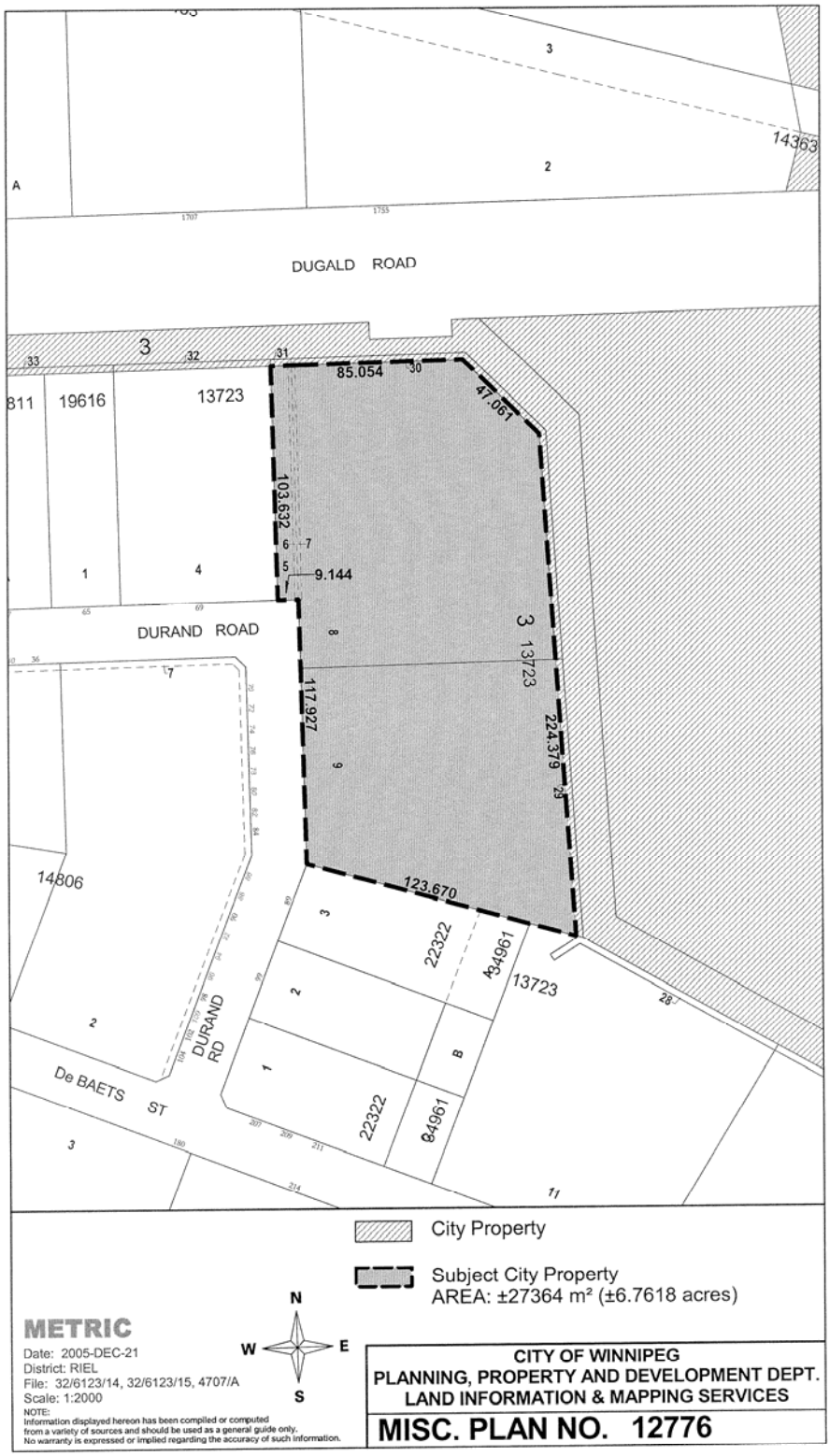
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11824/10

Schedule "B"


DUGALD ROAD
DURAND ROAD
DURAND RD
De BAETS ST
14363
13723
19616
14806
22322
84961
85.054
47.061
103.632
9.144
117.927
224.379
123.670
City Property
Subject City Property
AREA: ±27364 m² (±6.7618 acres)
METRIC
Date: 2005-DEC-21
District: RIEL
File: 32/6123/14, 32/6123/15, 4707/A
Scale: 1:2000
NOTE:
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 12776